

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the 2nd quarter and financial period ended 31 October 2017 - unaudited

	Note	3 Months Ended		Financial Period Ended	
		31 Oct 2017	31 Oct 2016	31 Oct 2017	31 Oct 2016
<i>In thousands of RM</i>					
Revenue		62,445	57,006	122,170	111,403
Operating profit		2,582	3,349	5,827	8,241
Finance income		87	55	180	105
Finance costs		(998)	(930)	(2,009)	(1,955)
Profit before tax		1,671	2,474	3,998	6,391
Income tax expense	B6	(702)	(619)	(949)	(2,255)
Profit for the period	B5	969	1,855	3,049	4,136
Other comprehensive income, net of tax					
Items that will not be reclassified					
subsequently to profit or loss					
Share of capital reserve by a non-controlling interest of a subsidiary		-	-	97	78
Items that may be reclassified					
subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(1,020)	1,400	(1,496)	2,805
Total comprehensive income for the period		(51)	3,255	1,650	7,019
Profit attributable to:					
Owners of the Company		612	1,819	2,092	3,471
Non-controlling interests		357	36	957	665
Profit for the period		969	1,855	3,049	4,136
Total comprehensive income attributable to:					
Owners of the Company		(30)	2,701	1,149	5,242
Non-controlling interests		(21)	554	501	1,777
Total comprehensive income for the period		(51)	3,255	1,650	7,019
Earnings per ordinary share					
attributable to owners					
of the Company (sen):					
Basic/ Diluted	B11	0.62	1.84	2.11	3.51

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 October 2017 – unaudited

<i>In thousands of RM</i>	Note	As at 31 Oct 2017	As at 30 Apr 2017
ASSETS			
Non-current assets			
Property, plant and equipment		106,929	106,510
Prepaid lease payments		6,697	7,020
Investment property		10,205	10,292
Other investments		197	198
		<u>124,028</u>	<u>124,020</u>
Current assets			
Trade and other receivables		38,742	39,118
Inventories		23,567	25,154
Cash and bank balances		38,023	33,429
		<u>100,332</u>	<u>97,701</u>
TOTAL ASSETS		<u>224,360</u>	<u>221,721</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		52,169	52,169
Reserves		55,391	55,889
		<u>107,560</u>	<u>108,058</u>
Non-controlling interests		15,793	15,292
Total equity		<u>123,353</u>	<u>123,350</u>
Non-current liabilities			
Loans and borrowings	B8	26,774	28,880
Trade and other payables		1,350	1,062
Deferred tax liabilities		4,104	4,126
		<u>32,228</u>	<u>34,068</u>
Current liabilities			
Loans and borrowings	B8	32,232	29,664
Trade and other payables		36,608	34,403
Current tax liabilities		(61)	236
		<u>68,779</u>	<u>64,303</u>
Total liabilities		<u>101,007</u>	<u>98,371</u>
TOTAL EQUITY AND LIABILITIES		<u>224,360</u>	<u>221,721</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.09</u>	<u>1.09</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial period ended 31 October 2017 – unaudited

	Attributable to Owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings	Total		
Non-distributable							
<i>In thousands of RM</i>							
At 1 May 2017	52,169	-	5,020	50,869	108,058	15,292	123,350
Profit for the period	-	-	-	2,092	2,092	957	3,049
Other comprehensive income for the period, net of tax	-	-	(943)	-	(943)	(456)	(1,399)
Total comprehensive income for the period, net of tax	-	-	(943)	2,092	1,149	501	1,650
Dividend paid to non-controlling interests	-	-	-	(1,647)	(1,647)	-	(1,647)
At 31 October 2017	<u>52,169</u>	<u>-</u>	<u>4,077</u>	<u>51,314</u>	<u>107,560</u>	<u>15,793</u>	<u>123,353</u>
At 1 May 2016	49,500	2,669	2,820	45,304	100,293	12,686	112,979
Profit for the period	-	-	-	3,471	3,471	665	4,136
Other comprehensive income for the period, net of tax	-	-	1,771	-	1,771	1,112	2,883
Total comprehensive income for the period	-	-	1,771	3,471	5,242	1,777	7,019
At 31 October 2016	<u>49,500</u>	<u>2,669</u>	<u>4,591</u>	<u>48,775</u>	<u>105,535</u>	<u>14,463</u>	<u>119,998</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the financial period ended 31 October 2017 – unaudited

<i>In thousands of RM</i>	Financial Period Ended	
	31 Oct 2017	31 Oct 2016
Cash flows from operating activities		
Profit before tax	3,998	6,391
Adjustments for:		
Non-cash items	6,807	6,295
Non-operating items	1,829	1,850
Operating profit before changes in working capital	12,634	14,536
Changes in working capital:		
Inventories	1,587	468
Trade and other receivables	376	2,362
Trade and other payables	3,635	1,445
Cash generated from operations	18,232	18,811
Income tax paid	(1,268)	(1,362)
Net cash from operating activities	16,964	17,449
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,050)	(7,023)
Proceeds from disposal of property, plant and equipment	36	222
Interest received	181	57
Net cash used in investing activities	(7,833)	(6,744)
Cash flows from financing activities		
Proceeds from term loans	2,999	3,201
Repayment of term loans	(3,022)	(2,090)
Proceeds from other borrowings	742	602
Repayment of finance lease liabilities	(2,175)	(1,775)
Dividend paid to non-controlling interests	(1,647)	-
Interest paid	(1,965)	(1,861)
Net cash from financing activities	(5,068)	(1,923)
Net increase in cash and cash equivalents	4,063	8,782
Exchange differences on translation of the financial statements of foreign operations	(409)	(553)
Cash and cash equivalents at beginning of financial year	26,628	27,343
Cash and cash equivalents at end of financial period	30,282	35,572
Cash and cash equivalents at end of financial period comprise:		
Cash and bank balances	29,248	29,153
Deposits with licensed banks	8,275	7,431
Bank overdraft	(7,241)	(1,012)
	30,282	35,572

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

PART A: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities' Listing Requirements").

The condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 April 2017. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last financial year ended 30 April 2017.

The supplementary information set out in Note B13, which is not part of the financial statements, is disclosed in accordance with the Guidance of *Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the context of Disclosure Pursuant to Bursa Securities' Listing Requirements.

A2. Changes in accounting policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any impact on the financial statements of the Group:

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendment to MFRS1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendment to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendment to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendment to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MRFS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

The initial applications of these MFRSs, Amendments and Interpretations, if applicable, are not expected to have any material financial impacts to the current and prior periods' consolidated financial statements of the Group upon their first adoption. Nevertheless, the Group is currently assessing the financial impact that may arise from the adoption of MFRS 15, MFRS 9 and MFRS 16.

The MFRSs, Amendments and Interpretations which were issued but not yet effective have not been early adopted by the Group.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal and/or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 31 October 2017.

A5. Material changes in estimates

There were no changes in estimates that have had material effect for the current quarter and financial period ended 31 October 2017.

A6. Issuances and repayment of debt and equity securities

There were no issuance, repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter and financial period under review.

Subsequent to the current quarter end, the Company issued 9,899,996 bonus shares on the basis of one (1) bonus share for every ten (10) existing shares of the Company held by the shareholders whose names appear in the record of depositors of the Company at the close of business on 15 November 2017. The bonus shares have been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 16 November 2017.

A7. Dividend Paid

No interim dividend was paid during the current quarter and financial period ended 31 October 2017 (2016: Nil).

Subsequent to the current quarter end, the Company has paid the first and final single tier dividend of 1.5 sen per ordinary share totalling RM1,485,000 in respect of the last financial year ended 30 April 2017 (2016: 1.5 sen per share) on 21 November 2017.

A8. Segmental information

Segmental information is presented in respect of the Group's business segments as follows:-

Results for the financial period ended 31 October 2017

	<u>Manufacturing</u>	<u>Trading</u>	<u>Investment Holding</u>	<u>Adjustment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	117,454	4,716	-	-	122,170
Inter-segment	7,404	164	-	(7,568)	-
Total revenue	124,858	4,880	-	(7,568)	122,170
Segment results	6,480	152	(407)	(398)	5,827
Finance income					180
Finance costs					(2,009)
Profit before tax					3,998
Income tax expense					(949)
Profit for the period					3,049

A9. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter under review.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period ended 31 October 2017.

A11. Changes in contingent liabilities

There were no changes in contingent liabilities or contingent assets of a material nature since the last annual reporting period.

A12. Capital commitments

Capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at end of the reporting period were as follows:-

	As at
	31.10.2017
	RM'000
Total approved and contracted for	2,579

A13. Fair Value Information

The Group uses the following hierarchy for determining the fair value of financial instruments carried at fair value and amortised cost, the different levels have been identified as follows:

Level 1 – Fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the financial assets and liabilities.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the Statement of Financial Position as at 31 October 2017.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Financial liabilities										
Amount due to a non- controlling interest of a subsidiary	-	-	-	-	-	-	2,512	2,512	2,512	2,512
Secured term loans	-	-	-	-	-	-	31,404	31,404	31,404	31,404
Finance lease liabilities	-	-	-	-	-	-	5,529	5,529	5,529	5,529
	-	-	-	-	-	-	39,445	39,445	39,445	39,445

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

Financial Review for Current Quarter and Current Period respectively:

	2nd Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2017</u>	<u>31 Oct 2016</u>		
Revenue	62,445	57,006	5,439	10%
Operating Profit	2,582	3,349	(767)	-23%
Profit Before Tax ("PBT")	1,671	2,474	(803)	-32%
Profit After Tax	969	1,855	(886)	-48%
Profit Attributable to Owners of the Company	612	1,819	(1,207)	-66%

	6 Months Period Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2017</u>	<u>31 Oct 2016</u>		
Revenue	122,170	111,403	10,767	10%
Operating Profit	5,827	8,241	(2,414)	-29%
Profit Before Tax ("PBT")	3,998	6,391	(2,393)	-37%
Profit After Tax	3,049	4,136	(1,087)	-26%
Profit Attributable to Owners of the Company	2,092	3,471	(1,379)	-40%

The Group achieved higher revenue with a growth of 10% for both Current Quarter and financial year to date mainly attributed to stronger customer demand for parts/metal components used in assembly of TV, fridge, printer and automotive industries.

The increase in sales contributed by Malaysia operation and Vietnam operation respectively were analysed as follows:

	2nd Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2017</u>	<u>31 Oct 2016</u>		
Malaysia Operation	39,511	38,545	966	3%
Vietnam Operation	22,934	18,461	4,473	24%
Total Revenue	62,445	57,006	5,439	10%

	6 Months Period Ended		Changes	
	31 Oct 2017	31 Oct 2016		
<i>(In thousands of RM)</i>				
Malaysia Operation	78,563	75,388	3,175	4%
Vietnam Operation	43,607	36,015	7,592	21%
Total Revenue	122,170	111,403	10,767	10%

Despite the increase in revenue, the Group reported lower PBT for the current quarter and financial year to date mainly due to the costs incurred for setting up of new production lines, recruitment and development of skilled and semi-skilled workforce at the new factory located in Hai Phong, Vietnam which is yet to achieve the optimal production and sales, higher depreciation charge resulting from new machines invested and the escalating labour costs as a consequence of constraints in labour supply encountered in Malaysia Operation and the wage inflation experienced in Vietnam Operation respectively.

Nevertheless, the Group's financial position strengthened with the net profit of RM2.1 million for the current period ended 31 October 2017 and the equity attributable to Owners of the Company stood at RM108 million as at 31 October 2017 which translated into a Net Assets per share of RM1.09.

The Group's cash and bank balances also increased from RM33 million as at 30 April 2017 to RM38 million as at 31 October 2017. The Group prudent management always maintains sufficient cash and available funds through an adequate amount of committed credit facilities and cash reserves.

B2. Variation of results against preceding quarter

Financial Review for Current Quarter (compared with immediate preceding 1st quarter):

	Quarter Ended		Changes	
	31 Oct 2017	31 Jul 2017		
<i>(In thousands of RM)</i>				
Revenue	62,445	59,725	2,720	5%
Operating Profit	2,582	3,245	(663)	-20%
Profit Before Tax ("PBT")	1,671	2,327	(656)	-28%
Profit After Tax	969	2,080	(1,111)	-53%
Profit Attributable to Owners of the Company	612	1,480	(868)	-59%

The Group achieved higher revenue with a growth of 5% mainly attributed to stronger customer demand for parts/metal components used in assembly of fridge, printer and automotive industries.

The increase in sales contributed by Malaysia operation and Vietnam operation respectively were analysed as follows:

<i>(In thousands of RM)</i>	Quarter Ended		Changes	
	<u>31 Oct 2017</u>	<u>31 Jul 2017</u>		
Malaysia Operation	39,511	39,052	459	1%
Vietnam Operation	22,934	20,673	2,261	11%
Total Revenue	<u>62,445</u>	<u>59,725</u>	2,720	5%

Despite the increase in revenue, the Group PBT decreased by RM0.6 million (i.e. from RM2.3 million to RM1.7 million) for the current quarter under review mainly due to costs incurred for recruitment of production workforce for the new factory in Vietnam and new items awarded by customers which sales orders are expected at the beginning of 2018.

B3. Prospects

The International Monetary Fund has in its October 2017 Report revised upward the Global Growth forecast for 2017 and 2018 to 3.6% and 3.7% respectively. However, the recovery is not complete, while the baseline outlook is strengthening, growth remains weak in many countries, and inflation is below target in most advanced economies. This will have implications for the whole global economy and may pose new threats to the already fragile world economy.

In Malaysia, the constraint in labour supply will continue to be a critical issue as it directly affects the production and manpower planning which in turn will affect the profitability of Malaysia Operation. Whereas in Vietnam, there is sign of increase in sales orders in 2018 which will cushion the operating overhead to be incurred by the new factory located at Hai Phong.

Against the above operating environment, the Group performance is expected to encounter some fluctuation as a result of the less predictable customers' demand and costs to be incurred by new factories. Nevertheless, the Board of Directors expects that the Group will achieve a satisfactory result relative to those companies in the same industry for the financial year ending 30 April 2018.

B4. Variance of actual and forecast profit

The Group did not provide any financial estimate, forecast or projection, or profit guarantee for the financial year ending 30 April 2018.

B5. Profit for the period

Profit for the period is arrived at after charging/(crediting):-	3 Months Ended 31.10.2017 RM'000	Period Ended 31.10.2017 RM'000
Depreciation and amortisation	3,386	6,817
Finance costs	998	2,009
Property, plant and equipment written off	5	7
Gain on disposal of property, plant and equipment	(25)	(18)
Net foreign exchange loss	373	650
Finance income	(87)	(180)

B.6 Income tax expense

	3 Months Ended 31.10.2017 RM'000	Period Ended 31.10.2017 RM'000
Current tax expense		
- <i>Malaysian income tax</i>	251	385
- <i>Foreign income tax</i>	283	396
- <i>Under provision in prior year</i>	190	190
	<u>724</u>	<u>971</u>
Deferred tax expense	<u>(22)</u>	<u>(22)</u>
Total	<u><u>702</u></u>	<u><u>949</u></u>

The effective tax rate of the Group for the financial period was lower than the statutory income tax rate of 24% mainly due to tax incentive.

B7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

B8. Group loans and borrowings (secured)

The Group loans and borrowings as at 31 October 2017 (compared with that of the last financial year) were as follows:

	As at 31 October 2017					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	15,197	9,858	4,303	2,046	19,500	11,904
Finance lease liabilities	-	1,719	-	3,810	-	5,529
Bankers' acceptance	-	-	-	8,305	-	8,305
Bills payable	-	-	6,527	-	6,527	-
Bank overdrafts	-	-	-	7,241	-	7,241
Total	<u>15,197</u>	<u>11,577</u>	<u>10,830</u>	<u>21,402</u>	<u>26,027</u>	<u>32,979</u>
Grand Total		<u><u>26,774</u></u>		<u><u>32,232</u></u>		<u><u>59,006</u></u>

	As at 30 April 2017					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	15,018	10,900	4,193	1,970	19,211	12,870
Finance lease liabilities	-	2,962	-	3,111	-	6,073
Bankers' acceptance	-	-	-	9,142	-	9,142
Bills payable	-	-	4,948	-	4,948	-
Bank overdrafts	-	-	-	6,300	-	6,300
Total	15,018	13,862	9,141	20,523	24,159	34,385
Grand Total		28,880		29,664		58,544

The Group loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to approximately RM12.5 million (as at 30 April 2017: RM12.2 million) and RM13.5 million (as at 30 April 2017: RM12.0 million) which are denominated in US Dollar and Vietnam Dong respectively. The repayment of these foreign denomination loans and borrowings are funded by the net cash generated from operating activities in their foreign denomination respectively.

The slight increase in the Group loans and borrowings was mainly due to utilisation of trade facilities for financing of the purchase of raw materials for production following higher sales orders.

B9. Changes in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B10. Dividend payable

No interim dividend was declared during the current financial period ended 31 October 2017 (2016: NIL).

B11. Basic earnings per ordinary share

The basic earnings per ordinary share are calculated by dividing profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the current 2nd quarter under review as follows:-

	3 Months Ended 31.10.2017 RM'000	3 Months Ended 31.10.2016 RM'000
Earnings		
Profit attributable to Owners of the Company	<u>612</u>	<u>1,819</u>
Weighted average number of ordinary shares in issue ('000)	<u>99,000</u>	<u>99,000</u>
Basic earnings per ordinary share (sen)	<u>0.62</u>	<u>1.84</u>

B12. Auditors' report on preceding annual financial statements

The independent auditors' report on the audited annual financial statements of the Group and of the Company for the last financial year ended 30 April 2017 was unmodified.

B13. Retained earnings

The breakdown of the retained earnings of the Group as at 31 October 2017, into realised and unrealised profits, is as follows:

	As at 31.10.2017 RM'000
The retained earnings of the Company and its subsidiaries:	
- Realised	72,251
- Unrealised	<u>(6,466)</u>
	65,785
Consolidation adjustments	<u>(14,471)</u>
Total retained earnings of the Group	<u><u>51,314</u></u>

B14. Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 December 2017.

By Order of the Board,

Yap Toon Choy
Group Managing Director
13 December 2017